

(1) IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 11, §39(E) OF THE CODE, A SAVINGS INSTITUTION SHALL TRANSFER ADDITIONAL MONEY TO ITS INITIAL GUARANTY FUND UNTIL THE SAVINGS INSTITUTION HAS THE MINIMUM GUARANTY FUND REQUIRED BY ARTICLE 11, § 42 OF THE CODE.

(2) UNTIL A SAVINGS INSTITUTION HAS THE REQUIRED MINIMUM GUARANTY FUND, THE SAVINGS INSTITUTION MAY NOT MAKE ANY PAYMENT ON THE PRINCIPAL OF A CERTIFICATE. HOWEVER, IT MAY PAY ANNUAL INTEREST ON THE CERTIFICATE AS APPROVED BY THE COMMISSIONER.

(D) MINIMUM GUARANTY FUND - BRANCHES.

BEFORE A SAVINGS INSTITUTION ESTABLISHES A BRANCH, IT SHALL HAVE IN ITS GUARANTY FUND:

(1) IF THE BRANCH IS TO BE LOCATED INSIDE THE MUNICIPAL AREA OF THE MAIN OFFICE OF THE SAVINGS INSTITUTION, AN AMOUNT OF MONEY EQUAL TO THAT REQUIRED FOR A MINIMUM GUARANTY FUND; OR

(2) IF THE BRANCH IS TO BE LOCATED OUTSIDE THE MUNICIPAL AREA OF THE MAIN OFFICE OF THE SAVINGS INSTITUTION, AN AMOUNT OF MONEY EQUAL TO THAT REQUIRED FOR A MINIMUM GUARANTY FUND PLUS AN AMOUNT EQUAL TO THAT REQUIRED AS MINIMUM CAPITAL AND SURPLUS FOR A STATE BANK IN THE SAME MUNICIPAL AREA OF THE BRANCH LESS ANY AMOUNT BY WHICH THE GUARANTY FUND OF THE SAVINGS INSTITUTION EXCEEDS THIS REQUIRED MINIMUM.

REVISOR'S NOTE: Subsection (a) of this section is new language derived without substantive change from the last sentence of Art. 11, § 39(b).

Subsection (b) of this section is new language derived without substantive change from Art. 11, §39(c) and (d).

Subsection (c) (1) of this section is new language added as a cross-reference to Art. 11, §39(e), which together with Art. 11, §§40(e), 42, and 43, is proposed for eventual allocation to the Business Regulation Article.

Subsection (c) (2) of this section is new language derived without substantive change from the last sentence of Art. 11, §39(e).

Subsection (d) of this section is new language derived without substantive change from Art. 11, §40(b) (3) and (4). The provisions of present §40(b) (1) and (2), and (c) through